

**RECREATION CENTERS OF SUN CITY, INC.
MINUTES REGULAR BOARD MEETING**

At the Regular Monthly Board Meeting called to order by President Hoffer at 9:00am on December 21, 2017, at Sundial Auditorium the following took place:

PRESENT: Rich Hoffer, President; Jerry DeLano, Vice President; Carol Lawry, Treasurer; Stella Van Ness, Secretary; and Directors Dave Wieland, Ron Smith, Jerry Walczak, Bruce Alleman, Ida Eisert

ALSO PRESENT: Jan Ek, General Manager; Chris Herring, Assistant General Manager; Brian Duthu, Director of Golf; Joelyn Higgins, RCSC Communication & Marketing Coordinator; Marcia Johnson, Corporate Executive Coordinator; Allen Kleinhans and Mike Dvorak, RCSC Audio/Video Technicians; 27 RCSC Cardholders and 1 member(s) of the press

Pledge of Allegiance: Everyone stood for the Pledge of Allegiance.

Board Quorum: Secretary Van Ness verified that a Board Quorum was present.

President Comments: President Hoffer explained the process for a Regular Board Meeting and how the Board conducts business. He introduced the Directors and members of the Management team.

Minutes: On Motion by Director Wieland and seconded by Vice President DeLano, the Minutes of the November 16, 2017 Regular Board Meeting were unanimously approved.

Treasurer's Report: Treasurer Lawry presented the Treasurer's Report. On Motion by Director Wieland and seconded by Director Alleman, the Report was unanimously approved. The monthly Treasurer's Report is available at www.suncityaz.org, along with the monthly financials.

Installation of Elected Directors: President Hoffer installed the Directors Elect, Dan Schroeder, Sue Wilson and Dale Lehrer who will each serve a three (3) year term starting January 1, 2018.

Presentation of Plaques: Vice President DeLano presented plaques to outgoing President Rich Hoffer, Treasurer Carol Lawry and Director Ida Eisert. Vice President DeLano thanked them for their service to the RCSC.

Management Reports: Jan Ek, General Manager; Chris Herring, Assistant General Manager and Brian Duthu, Director of Golf presented their Management Reports. All the management reports are available at www.suncityaz.org under the RCSC tab.

Committee Reports: The Directors reported on Committees as follows:

Bowling Committee: Chair Ron Smith stated that RCSC Director of Bowling, Randy Johnson informed the Committee that all scheduled tournaments and league bowling are now in progress. There will be two nominees inducted into the Hall of Fame at the annual meeting on February 24, 2018. Both Bell and Lakeview Lanes will be closed on Christmas Day and New Year's Day. The next meeting is January 4, 2018 at 9:00am.

Club Organization Committee (COC): Chair Carol Lawry reported that the Committee was informed that all Club Membership Rosters have been received and processed. As of December 8, 75 Clubs have RSVP'D for the 2018 Discover Sun City. Officer training is mandatory with two sessions scheduled, one on Tuesday, January 9 from 1:30-4 and the second on Thursday January 11th from 9-11:30. The next meeting is January 10, 2018 at 10:00am.

Elections: Chair Ida Eisert reported at the last meeting, the Committee had a brainstorming session on how to bring more Members to the polls and run for the Board. Out of 33,312 eligible voters, 3.6% voted in this year's election. I want to congratulate Dan Schroeder, Sue Wilson and Dale Lehrer our 2018 elected Directors. I also want to thank the Election Committee for being a part of this very important process. Should you want to be on the Election Committee you can contact the Board Office at 623-561-4620. The next meeting is February 21, 2018 at 1:00pm.

Finance & Budget: Chair Dave Wieland stated that General Manager Jan Ek provided the third quarter summary of income and expenses with comparison to budget. Jan then presented the proposed 2018 budget and the Committee recommended approval of the Budget to the Board. Jan will do a budget presentation at the Annual Meeting in February. If you have an interest in the details of the budget, a copy of the summary is available. The next meeting will be scheduled after the first of the year.

Golf Advisory: Chair Jerry Walczak stated that Director of Golf, Brian Duthu informed the Committee that the Beat-the-Pros Tournament was a big success and matched last year's donation for the 2018 RCSC's chosen charity The Sun City Museum. Chris Linam informed the Committee that 3 new Ranges signed up over the last month, but we still are in need of more so if you are interested in volunteering please call us at 623-876-8419. The next meeting is January 18, 2018 at 8:30am.

Insurance Committee: Chair Jerry DeLano stated that there is nothing to report since no meeting has been held since May and nothing is currently scheduled.

Lawn Bowling: Chair Bruce Alleman stated that Course Superintendent Dennis Delaney updated the Committee on current stimp readings, moisture readings and general information on all greens. There was discussion on outstanding work orders, the irrigations sprinklers at Bell Lawn Bowl and the newly sodded areas at Mountain View. The next meeting is scheduled for January 9, 2018 at 1:00pm.

Outreach & Communication: Chair Jerry Walczak stated that The Committee was informed that the current email contact list for RCSC Members is about 9,000 and current Facebook followers is 1,525. The Officers Training is scheduled for next month with two sessions and is mandatory. The next meeting is January 9, 2018 at 9:00am.

Properties: Chair Ida Eisert reported that Inspections turned in for the fourth quarter were discussed. The Committee also discussed progress on current projects at the centers. I want to thank everyone who has served on the Committee this year. We are always looking for inspectors to volunteer for this very important Committee. If you are interested you can contact the Board Office at 623-561-4620. The next meeting is March 27, 2018 at 9:00am.

Sun City Foundation: President Carol Lawry reported at the last meeting held on December 14, 2017, we discussed the pleasure of receiving all the donations from Clubs as well as RCSC Members since the Foundation survives on donations. Just a reminder, the money received by the Foundation through donations is used to help the residents of Sun City with their assessment fees. We are looking for volunteers if you are interested, please attend a meeting, talk to a current Director or contact the corporate office for more information. The next meeting is January 11, 2018 at 1:00pm.

Other reports:

Sun City Fire Department: Ida Eisert, liaison to the Sun City Fire Department reported that she attended the November 21st and December 19th meetings. At the December meeting Chief Deadman asked the Sun City Fire Department Board for a motion on the purchase of two Type one Fire Apparatus. The Motion was made and passed. Fire Marshall Fox gave an update with a visual on how the new fire station is progressing and it was very impressive. After extensive underground work, the slab will be poured the first week of January and June is the scheduled completion date. Under special projects it was reported that the website will be updated in 2018. Smoke detectors continue to be installed for Sun City Residents. The next meeting will be held on January 16, 2018 at 9:30am at the Sun City Fire Department community room located at 18602 N 99th Ave.

Sun City Posse: Ron Smith, liaison to the Posse reported that the Posse is still in transition and they have 6 new members beginning training and 2 waiting for clearance from MCSO. Uniform and Car log changes are currently happening.

Friends of the Library: Jerry Walczak, liaison to the Friends of the Library, reported that the Friends meet the second Thursday of the month at the Bell Library in the back at 9:30am if you are interested in attending a meeting. They discussed the readers program where someone will read to you if you are no longer able to read books.

Sun City Museum: Dave Wieland, liaison to Sun City Museum reported that at the meeting the Board of Directors announced that 2017 was a good year. Receiving a grant from Del Webb foundation that will be used to expand the museum. The expansion will allow for more exhibit room. If you haven't been to the museum you should visit it. They have a nice movie that is shown on the history of Sun City and the house is set up like back in 1961.

Sun City Community Assistance Network (SCCAN): Stella Van Ness, liaison to SCCAN, stated that she attended their meeting on December 12, 2017. Directors Jim Graffiti, Rich Grays, Hugh Duncan and Harry Calivas were re-elected to the Board. They are currently gearing up for their tax season which will begin in January. The next meeting will be held at the Sun Valley Lodge. The Crisis Assistance Program, which was booked out for more than three weeks in advance, is currently out of funds and is waiting for Arizona Public Service (APS) to fund the program. The next meeting will be January 16, 2018.

Sun City Home Owners Association (SCHOA) Roads & Safety: Carol Lawry, liaison to SCHOA, reported that there was no meeting this month due to the holiday.

NOTE: Unless otherwise stated above, all Committee meetings are held in the Lakeview Board Room (upper level) of Lakeview Center. Committee meeting dates can change so be sure to check the RCSC website at www.suncityaz.org for the most up to date report on dates and times for meetings.

Member Comments: Member comments included well wishes and appreciation to the outgoing Board Members; congratulations and best wishes for success to the newly elected Board Members and Happy Holidays.

Outgoing Board Comments:

Carol Lawry: I want to thank everyone that supported me when I was running. I also want to thank my husband for being so accepting. I would also like to thank the lady's in the corporate office that have helped us so much and have become friends as well as the Senior Management and RCSC personnel who have worked with us and put up with us. I want to give special appreciation to Jan for taking the time and having the patience to guide us along the way. I know we have not pleased everyone but we did our best for the overall community and the corporation and remember we are leaving on a good note we didn't raise the fees for 2018. And to my fellow Board of Director's it has been great. Thank you.

Ida Eisert: My sincere thank you to Jan Ek and Marcia Johnson, the Senior management team and all RCSC staff. Thank you to Board Members, Rich Hoffer, Carol Lawry, Jerry Walczak, Jerry DeLano, Ron Smith, Stella Van Ness, Bruce Alleman, Dave Wieland and incoming Board Members Dan Schroeder, Dale Lehrer and Sue Wilson. My mission as Director was the fiduciary duty I had to the Corporation in making sound financial and fair decisions because of my obligation to the Members of the Corporation. I want to ultimately thank the Membership. It was a privilege to serve you.

Rich Hoffer: Several people knew that I was keeping a log of the total number of hours that I have volunteered for the RCSC since becoming a Board Member, and I just wanted to let those folks know that the grand total for the three years was 1,411 hours. Rather than list all of the accomplishments that the Board has made over the past three years, I decided to take a page from Del Webb. He always said that concrete, steel and lumber make the buildings, but it's the people that make the community. And it's with that in mind that I'd like to thank several people.

First and foremost you can never do this job without the support of your family. I'd like to thank my wife, Cathy, and my mom, for supporting me for the past three years, even though I think back then, they tried to talk me out of it. I'd like to also thank two former board members, Linda Linquist and Dan Schroeder. They spent a good deal of time talking me into running three years ago, and since have become good friends and great counselors.

To my far left is a lady I call "Smiles," Marcia Johnson see, she's smiling right now isn't she? I can't even see her, and I know she's smiling. Marcia has the absolute best attitude of anybody I've ever met. She deals with complaints and people yelling at her for various things from time to

time, none of which are her fault, but she always has a smile on her face. I'm going to miss the chats, and the smiles, Marcia. You're a very special lady.

I thought when I moved to Sun City, I pretty well had Communications and Marketing figured out since I spent my career in those fields I was wrong. The more I worked with Joelyn Higgins, the more I realized how much I really didn't know. She's a true treasure, and I'm going to share a secret with you. If you read, watch, or hear anything about Sun City, anywhere...Joelyn is behind it. She is pure talent.

I got to volunteer this past fall for Theresa Cirino at the Sun Bowl checking Member Cards. But I have known Theresa for quite some time, and I have to say, I've always been extremely impressed with her ability to book great talent. I know this is a passion with her, and she is one of the best around. Her love of entertainment is evident with anyone that comes into contact with her and I'm very happy to have had the chance to work with her.

I didn't know Brian Duthu when I came on the Board, but I got to know him. He's one of the hardest working, most knowledgeable people in the game today and while most people would be satisfied to say they were the Director of Golf at a golf course, Brian is the Director of Golf at eight golf courses. He is also in charge of the lawn bowls, and the softball field, and Duffeland Dog Park.

Chris Herring is a guy I want you to keep your eye on. When I first came on the Board, he was the "IT Guy." Then he was the "Cardholder Services" guy. Now he's the Assistant General Manager...and he's probably one of about four people in this country who has the brains and ability to run the RCSC. Watch him he's got an incredible combination of people skills and technical knowledge. That is a very rare commodity.

This one is going to be tough. I was always told that if you were going to go head to head with Jan Ek, you needed to know your stuff, because she not only knows it, she probably has the entire history of it memorized, and knows everything about it. They were right. No one that is the president of this board can do their job right without teaming up with Jan. I think we did a pretty decent job of teaming up this year, and I think we did ok. We didn't always see eye to eye, but we were a pretty damn good team. Jan, I'm certainly going to miss you most of all!

To Ida and Carol, I want to say thanks for three years of some rambunctious arguments mostly started by me; an awful lot of hour long telephone conversations mostly started by Ida; and too many bullpen conversations to count mostly started by Carol. I've got a lot of wonderful memories of serving with you. We ran for the board together, and we're leaving the board together, and I think it's been a great three years.

To the other six board members who will be back next year, I would wish you a smooth year. I hope things are quiet, and peaceful, and you get your goals accomplished. I've worked with 15 board members over the past three years, and I am glad I've met each and every one of them. These are people I probably wouldn't have met had I not gotten elected to the board.

To the incoming board members, I want to welcome you and wish you the best in your terms. If I can impart one piece of advice, it's that there is a very steep learning curve to this job. I know you have ideas and feelings about things you want to change, but be aware that you don't have any of the answers yet and in fact, you probably don't even know the questions yet. Keep an open mind, and watch the flow and learn.

Finally, I'd like to thank all of you, Sun City. Three years ago, you took a flyer on a guy you didn't know and made him the youngest elected Director in Sun City's History. I appreciate the trust you placed in me, and I am thankful that I've been able to serve you. In the end, I hope I've been able to accomplish one thing and that is, I hope I've left Sun City better off than I found it three years ago. THAT was my agenda all along!

Motions: The following Motions were presented:

#1 – 2018 Budget: Director Wieland moved that the 2018 Operating and Capital Budget be approved as follows: Seconded by Vice President DeLano, the Motion was unanimously approved.

Total Income	\$21,650,622
Cost of Goods Sold	\$ 569,177
Wages	\$ 8,560,748
Payroll Taxes & Benefits	\$ 2,422,258
Repair & Maintenance	\$ 2,108,240
Utilities	\$ 3,083,909
Operating Expenses	\$ 2,404,638
Taxes, Insurance, Other Expenses	\$ 716,813
Capital Projects & Equipment	\$ 1,784,839

#2 – 401K Contribution: Director Alleman moved that a corporate match be approved for the first \$500 contributed in the year 2018 to the 401(k) plan by each qualified plan participant. Seconded by Secretary Van Ness, the Motion was unanimously approved.

#3 – 2018 Posse Donation: Director Smith moved for approval of a \$3,000.00 donation to the Sun City Sheriff's Posse, for the year 2018, as a gesture of goodwill for their continued assistance to the RCSC. Seconded by Treasurer Lawry, the Motion was unanimously approved.

#4 – 2018 Approved PIF Project: Vice President DeLano moved for approval of a 2018 Preservation & Improvement Fund (PIF) \$3M Project for the renovation and remodel of the Grand Avenue building. Seconded by Director Smith, the Motion was unanimously approved.

#5 – BP#14 Posting of Signs, Distribution of Literature & Electronic Sign Usage: Director Walczak moved that Board Policy Resolution No. 14, titled Posting of Signs, Distribution of Literature & Electronic Sign Usage, as amended, be approved in its entirety and replace previous Board Policy Resolution No. 14 titled Posting of Signs & Distribution of Literature. Seconded by Director Wieland, the Motion failed with Treasurer Lawry, Vice President DeLano, Secretary Van Ness, Director Alleman and Director Eisert opposed.

#6 – Club Name Change Sun City Sportsmen: Director Eisert moved that the name of the chartered club called The Sun City Conservation & Sportsmen’s Club be changed to Sun City Sportsmen. Seconded by Vice President DeLano, the Motion was unanimously approved.

Next Meetings: President Hoffer reported that the next Board/Member Exchange, with Agenda, is Monday, January 8, 2018 at 9:00am in Social Hall #3 at Lakeview Center. The next Regular Board Meeting is Thursday, January 25, 2018 at 9:00am in the Sundial Auditorium.

Adjournment: The meeting adjourned at 10:00am.

Respectfully submitted,

Stella Van Ness, Secretary